

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES)	
OF AUXIER ROAD GAS)	CASE NO. 2006-00325
COMPANY, INC.)	

ORDER

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the Gas Cost Adjustment ("GCA") Clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.¹

On June 29, 2006, Auxier filed its proposed GCA to be effective July 1, 2006.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier's notice sets out an Expected Gas Cost ("EGC") of \$9.0955 per Mcf, which is a decrease of \$1.9353 per Mcf from its prior EGC of \$11.0308.
3. Auxier's notice sets out no current refund adjustment.
4. Auxier's notice sets out a current quarter actual adjustment ("AA") of (\$1.8712) per Mcf. Auxier's notice sets out a total AA of (\$2.0603) per Mcf, which is a decrease of 97.55 cents per Mcf from its previous total AA.

¹ Case Nos. 10288-D and 10288-E, Notice of Purchased Gas Adjustment Filing of Auxier Road Gas Company, Inc., Order dated April 10, 1991.

5. Auxier's notice sets out a current quarter balance adjustment ("BA") of .8 cent per Mcf. Auxier's notice sets out a total BA of .73 cent per Mcf, which is an increase of .14 cent per Mcf from its previous total BA.

6. Auxier's gas cost recovery rate is \$7.0425 per Mcf, which is a decrease of \$2.9094 per Mcf from its previous rate of \$9.9519.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after July 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2006.

2. Within 20 days of the date of this Order, Auxier shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 6th day of July, 2006,

By the Commission

ATTEST.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00325 DATED July 6, 2006.

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 5.11	\$7.0425	\$12.1525
All Over 1 Mcf	\$ 4.2599	\$7.0425	\$11.3024

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Auxier Road Gas Company, Inc.

Case No.: 2006-00325
Filing Date: June 29, 2006
Proposed Effective Date: July 1, 2006
Approved Effective Date: July 1, 2006

Wholesale Gas Suppliers: Equitable Resources, Constellation Energy, Aei-Kaars
Drilling, Columbia NR

Wholesale cost: Decreased \$1.9353 per Mcf
Retail rate: Decreased \$2.9094 per Mcf

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 9.0955
Refund Adjustment	-----
Actual Adjustment	(2.0603)
Balancing Adjustment	<u>.0073</u>
Gas Cost Adjustment	\$ 7.0425

Prepared by: Daryl Newby

Date: July 5, 2006